

# **Exhibit 24**

## **Part I**

*United States of America ex rel. Ven-a-Care of the Florida Keys, Inc. v. Abbott Laboratories, Inc., et al.,*

Civil Action No. 01-12257-PBS

Exhibit to the July 24, 2009, Declaration of George B. Henderson, II  
In Support of United States' Common Memorandum of Law in Support of Cross-Motions for  
Partial Summary Judgment and in Opposition to the Defendants' Motions for Summary  
Judgment

**PROVIDER UPDATE****VOLUME 8, NUMBER 5****OCTOBER 1991***Dispensing Fee**10/1/91 \$5.00**See next page*

Medicaid Recipient Identification Cards	Unisys Field Analysts
EOBS	Retroactive Services For Zebley SSI Eligibles
CPT-4 & ICD-9-CM Code Books	EMC Reminders
CRNA - Billing Instructions	Procedure Code A455
Ventilation Equipment and Accessories	Prescriptions
Covered Supplies	New Code for Benadryl Injection
Reactivation of Code J0940	Recoupment of Vendor Overpayment to Nursing Homes
Norplant Contraceptive Implant Kit	Third-Party Insurance Payment
Distinct Part Psychiatric Billing Practices	Medicare Part B Immunosuppressant Claims
Outpatient Services	Pharmacy Audits
Dispensing Fee Increases	Drug Rebate Agreement
Coding for Emergency Room Services	Lab and X-Ray Equipment
Pulmonary Function Tests	Bilateral Procedures
Secondary and Multiple Surgical Procedures	Need for Physicians Sub-Specialty
Billing Instructions for CPT-4 Codes 77420, 77425, & 77430.	Funding of CPT-4 Code 77417
Fee Increase for CPT-4 Code 31000	Critical Care
New Regulations	Corrections
Code Y2511	Eligibility Card
Medicaid Drug Rebate Participating Pharmaceutical Companies	DME Procedure Codes for Ventilator Equipment and Accessories

**ALL PROVIDERS****MEDICAID RECIPIENT IDENTIFICATION CARDS**

Medicaid of Louisiana is planning to make some changes to the appearance of the recipient Medicaid identification card that is issued by Unisys.

Effective January of 1992, the TPL code descriptions will begin appearing on the back of the identification card rather than in the upper right hand corner on the front of the card, where they have been located in the past. The actual TPL codes, however, will continue to appear under the heading "TPL" on the front of the card.

In addition, the effective month of the card, as well as any special messages that pertain to the recipient's Medicaid coverage, will begin appearing in the

provided to Medicaid recipients.

In addition, physicians cannot bill for observation room charges; they can bill only for the actual services provided.

Questions related to the definition of outpatient services should be addressed to the Hospital Program Manager, Ron Jesse, at (504) 342-5774.

Questions related to physician services should be directed to the Physician's Program Manager, Kandis McDaniel, at (504) 342-9490.

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## **PHARMACISTS**

### **PHARMACY AUDITS**

Effective August 1, 1991, Postlethwaite and Netterville were contracted to perform the pharmacy audits.

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### **DISPENSING FEE INCREASE**

Effective for services beginning October 1, 1991, the dispensing fee for prescription services has been increased to \$5.00. \*

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## **PHARMACISTS, DENTISTS, & PHYSICIANS**

### **DRUG REBATE AGREEMENT**

In accordance with Section 4401 of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), Medicaid of Louisiana will reimburse only for those drug products for which the pharmaceutical company has entered into a rebate agreement with the Department of Health and Human Services.

Provided in the Attachments section of this issue of the Provider Update is an Appendix C which identifies the pharmaceutical companies which have entered into an agreement with the federal government. Providers should take note of the effective date of the labeler codes and should attach Appendix C to their provider manuals.

**NOTE:** This listing includes additional labeler codes for manufacturers.

Medicaid of Louisiana will provide coverage for only those drug products

Terrebonne, Mary Julia

March 31, 2008

23 (Pages 86 to 89)

<p style="text-align: right;">86</p> <p>1 Q. Do you know who -- who would know the</p> <p>2 answer to that question, or where could I find the</p> <p>3 answer to that question?</p> <p>4 A. Probably Richard O'Shee and Carolyn</p> <p>5 Maggio.</p> <p>6 Q. If we go to the next section, there is</p> <p>7 reference to an LMAC. That refers to Louisiana</p> <p>8 Maximum Allowable Cost Program, correct?</p> <p>9 A. Yes.</p> <p>10 Q. Can you tell us what that is?</p> <p>11 A. The Louisiana maximum, or when there are</p> <p>12 generic drugs available, the state of Louisiana</p> <p>13 sets a maximum allowable cost limitation on those</p> <p>14 generic products.</p> <p>15 Q. Do you know when the LMAC started?</p> <p>16 A. I do not.</p> <p>17 Q. Was it prior to you joining the</p> <p>18 department in 1983?</p> <p>19 A. I believe so.</p> <p>20 Q. Do you have an understanding of why it</p> <p>21 was that Louisiana had a Maximum Allowable Cost</p> <p>22 Program for the period 1990 at least through today?</p>	<p style="text-align: right;">88</p> <p>1 there was an LMAC provision?</p> <p>2 A. Because normally the AWP for the</p> <p>3 generics were less expensive than the AWP of the</p> <p>4 innovator products.</p> <p>5 Q. Let's talk about how it was that the LMAC</p> <p>6 worked. How did the maximum allowable cost for an</p> <p>7 individual drug get created?</p> <p>8 A. That was prior to me arriving here, so I</p> <p>9 don't know.</p> <p>10 Q. Well, this provides the mechanism, does</p> <p>11 it not?</p> <p>12 A. Yes.</p> <p>13 Q. It states, "LMAC is the median AWP cost</p> <p>14 for a specific strength unit drug determined by</p> <p>15 listing the wholesale costs for each readily</p> <p>16 available manufacturing labeler, et cetera, and</p> <p>17 taking the median of those AWP costs (one half</p> <p>18 would be above the median cost and one half will be</p> <p>19 below the median cost). LMAC limits may be</p> <p>20 adjusted by Medicaid of Louisiana based on charges</p> <p>21 in the availability and EAC of the drugs." I</p> <p>22 believe it means to say changes. I think it's a</p>
<p style="text-align: right;">87</p> <p>1 A. We have it to set limitations,</p> <p>2 reimbursement limitations on the generic products.</p> <p>3 Q. Why would you need to have that?</p> <p>4 A. So that we would pay accordingly rather</p> <p>5 than pay the full price of the innovator products,</p> <p>6 because the generics were normally less expensive.</p> <p>7 Q. Why couldn't you take the price reported</p> <p>8 in the compendia for generic drugs by NDC and make</p> <p>9 that the reimbursement price?</p> <p>10 MR. FAUCI: Objection, form.</p> <p>11 THE WITNESS: I believe the intent was to set</p> <p>12 a maximum price so that the price would be less.</p> <p>13 BY MR. TORBORG</p> <p>14 Q. And was the purpose of establishing and</p> <p>15 maintaining the LMAC program because the state knew</p> <p>16 that the AWP reported in the compendia for generic</p> <p>17 drugs was not a reliable source for what it</p> <p>18 actually costs providers to purchase the drugs?</p> <p>19 MR. FAUCI: Objection.</p> <p>20 THE WITNESS: I'm not aware of that.</p> <p>21 BY MR. TORBORG</p> <p>22 Q. Did you have an understanding of why</p>	<p style="text-align: right;">89</p> <p>1 typo.</p> <p>2 Ms. Terrebonne, is this consistent with</p> <p>3 your understanding of how Louisiana set maximum</p> <p>4 allowable cost limits for generic drugs for the</p> <p>5 period 1991 through 2001?</p> <p>6 A. Yes.</p> <p>7 Q. Was there any other method that Louisiana</p> <p>8 used other than taking the median AWP to determine</p> <p>9 the LMAC limit?</p> <p>10 A. No. We followed what was in the state</p> <p>11 plan.</p> <p>12 Q. Do you know whose idea it was to use this</p> <p>13 methodology in creating the LMAC?</p> <p>14 A. I do not.</p> <p>15 Q. Was there ever any consideration to</p> <p>16 changing the methodology for establishing the LMAC</p> <p>17 limits to some other way?</p> <p>18 A. There has been discussion.</p> <p>19 Q. Tell me about that.</p> <p>20 A. Just discussion that perhaps we need to</p> <p>21 review the methodology to determine an alternative</p> <p>22 methodology.</p>

\*  
LMAC  
Methodology  
FN#2

Henderson Legal Services, Inc.

202-220-4158

www.hendersonlegalservices.com

From: "M J TERREBONNE" <mterrebo@dhh.la.gov>  
 To: "Judith Becherer" <Jbecherer@MSLC.COM>  
 Date: Tuesday - October 7, 2008 1:36 PM  
 Subject: Re: Medicaid Pharmacy Pricing Follow-Up

Judith,

Per my review, below are the changes,

The dispensing fees are as follows :

7-1-1989 \$4.00 NA  
~~4-1-1990 \$4.41 NA~~  
~~9-1-1990 \$4.68~~ ✓  
 \* 10-1-1991 \$5.00 ✓ DF (See also Provider Update, October 1991)  
 7-1-1992 \$5.30  
 7-1-1993 \$5.54 ✓  
 7-1-1994 \$5.77

Insert 2 for the following:

✓ 7-1-1989 thru 9-30-1991 - LMAC Description - 2 FN #2 (See 7/1/1992 time period, TN #92-01 for language)

According to the approved state plans, the EACs are as follows:

✓ July 1, 1989 --AWP minus 10.5% EAC and FN#1  
 ✓ July 1, 1999--AWP minus 10.5% for independents, AWP minus 13.5 for chains - Chains - FN#2  
 five or more Medicaid enrolled pharmacies under common ownership  
 ✓ February 1, 2000 - AWP minus 15% for independents, AWP minus 16.5% for chain FN#4  
 pharmacies - Chains -more than fifteen Medicaid enrolled pharmacies under common ownership  
 FN#5 August 6, 2001 -AWP minus 13.5% for independents, AWP minus 15% for chain  
 pharmacies - Chains -mmore than fifteen Medicaid enrolled pharmacies under common ownership

thanks, mj

>>> "Judith Becherer" <Jbecherer@MSLC.COM> 10/6/2008 4:17 PM >>>

Dear MJ,

Good afternoon! I know that you have had considerable issues resulting from the recent hurricane, so I have tried to delay making a follow-up contact with you for as long



## III. Administration:

Public assistance programs are administered by the Department of Health and Hospital.

## IV. Provisions Relating to Prescribed Drugs:

A. Open formulary. Certain drug categories are excluded from reimbursement, i.e., anorexic, cough and cold preparations, cosmetics, DESI, experimental and most OTC drugs. For information contact: M. J. Terrebonne, 504/342-3086.

Injectable Drug List: None.

## B. Prescribing or Dispensing Limitations:

1. Quantity of Medication: New prescription must be issued for drugs given on a continuing basis, after 5 refills or after 6 months.

Maximum payment quantity for prescriptions shall be either one month's treatment or 100 unit doses.

2. Refills: Permitted as indicated by physician within 6 months and not to exceed 5 refills.

3. Dollar Limits: None.

## C. Prescription Reimbursement Formula:

Medicaid reimbursement for pharmacy services will be based on the lower of:

- a. The provider's usual and customary charge to other payors; \*
- b. Louisiana Maximum Allowable Costs (LMAC) or the Federal Upper Limit plus the dispensing fee; \*
- c. EAC (Estimated Acquisition Cost) plus the dispensing fee (EAC is 10.5% less than AWP reported by First DataBank) for drugs which are not subject to LMAC or FUL or drugs which are subject to a physician's certification for a brand name drug (MAC override). Dispensing fee is \$5.00. \*BMN

## D. Fiscal Intermediary:

Unisys  
P.O. Box 91030  
Baton Rouge, LA 70821  
504/924-7051

## Officials, Consultants and Committees

1. Department of Health and Hospital Administration Officials:

J. Christopher Pilley, Secretary  
Department of Health and Hospitals  
504/342-9500

John Futrell, Director  
Bureau of Health Services Financing  
Department of Health and Hospitals  
1201 Capitol Access Road  
Baton Rouge, LA 70821  
504/342-3891

M. J. Terrebonne, P. D., Pharmacist Consultant II  
504/342-3086

2. Medicaid Rebate Contacts:

Technical: Carol Simpson, 504-342-3855

Policy: ~~M. J. Terrebonne~~, 504/342-3086

DUR: Melwyn Wendt, 504/342-0127

3. Physician-administered Drug Program contact:

Kandis McDaniel, 504/342-0127

4. Medicaid Drug Program Committee:

Cathi Fontenot, M.D.  
LSU Medical Center  
1542 Tulane Avenue  
New Orleans, LA 70112  
504/568-4791

Naurang Agrawal, M.D.  
Tulane Medical School of Medicine  
Gastroenterologist  
1430 Tulane Avenue  
New Orleans, LA 70112  
504/588-5838

Keith C. Ferdinand, M.D.  
1201 Poland Avenue  
New Orleans, LA 70117  
504/943-1177

Elvin G. Tubre, M.D.  
Internal Medicine  
3418 Medical Park Drive  
Suite 22  
Monroe, LA 71201  
318/361-0016

Milton C. Chapman, M.D.  
Pediatrician  
921 Shreveport—Barksdale Hwy.  
Shreveport, LA 71105  
318/865-5646

7/1/1992 - 6/30/1993

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

Attachment 4.19-B  
Item 12.a.  
Page 2

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES  
METHODS AND STANDARDS FOR ENSURING PAYMENT RATES

OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN, ARE DESCRIBED AS FOLLOWS:

Citation: MEDICAL AND REMEDIAL  
42 CFR CARE AND SERVICES  
447 Subpart D. Item 12.a. (Continued)

"Multiple Source Drug" means a drug marketed or sold by two or more manufacturers or labelers or a drug marketed or sold by the same manufacturer or labeler under two or more different proprietary names or both under a proprietary name without such a name.

"Average Wholesale Price" (AWP) means the wholesale price of a drug product as reported to Medicaid of Louisiana by one or more national compendia on a weekly basis.

"Estimated Acquisition Cost" (EAC) means the modified Average Wholesale Price of the drug dispensed, identified by the manufacturer number, product number, and package number usually purchased by a provider, from a supplier whose products are generally available to all pharmacies and reported in one or more national compendia. EAC for drug products supplied through repackaging into smaller quantities by chain drugstore central purchasing, shall be based on the package size purchased by the central purchasing unit. Supporting documentation (invoices) shall be made available to the agency or its designee upon request. This limitation includes drug products which are repackaged or relabeled by the manufacturer or third party under any type of purchase contract or agreement. Bulk purchase practices which result in price reductions not generally available to all pharmacies shall also be subject to this limitation. If the package size is larger than the largest size listed by Medicaid of Louisiana, then EAC will be based on the largest size listed in the American Druggist Blue Book or other national compendia utilized by the State to update the Medicaid Management Information System (MMIS).

"Modified" means the lower of the following applicable limits:

AWP-10.5% for:

Other Drugs" not subject to LMAC limits; and

Drugs exempt from LMAC or Federal Up by physician override;

\* BMN

LMAC limits on multiple source drugs established by Medicaid of Louisiana as set forth below; and

Federal Upper Limits on multiple source drugs established by HCFA as set forth below.

"Maximum Allowable Overhead Cost" means the expense incurred by pharmacy providers in dispensing covered drugs as determined by Medicaid of Louisiana. Section V of Item 12.a. describes the complete methodology utilized.

B. Federal Upper Limits (FUL) For Multiple Source Drugs

1. Except for drugs subject to "Physician Certification Medicaid of Louisiana shall utilize listings established by HCFA that identify and set upper limits for multiple source drugs that meet the following requirements:

- (a) All of the formulations of the drug approved by the Food and Drug Administration (FDA) have been evaluated as therapeutically equivalent in the most current edition of their publication, Approved Drug

TN# 92-01  
Supersedes 89-18  
TN#

STATE	LOUISIANA
APPROVED	FEB 14 1992
DATE	JUN 02 1992
DATE EFF	JUL 01 1992
HCFA 179	92-01

Effective Date JUL 01 1992

HHD076-0040



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAMAttachment 4.19-B  
Item 12.a.  
Page 3

STATE OF LOUISIANA

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Citation: MEDICAL AND REMEDIAL

42 CFR CARE AND SERVICES

Superseded By 05-10

447 Subpart D. Item 12.a. (Continued)

Products with Therapeutic Equivalence Evaluations, including supplements or in-successor publications;

(b) At least three suppliers list the drug, classified by FDA as category "A", in published compendia of cost information for drugs available for sale nationally.

2. Medicaid of Louisiana shall utilize the maximum acquisition cost established by HCFA in determining Multiple Source Drug cost.

3. Medicaid of Louisiana shall provide participating Pharmacists with updated lists reflecting the multiple source drugs subject to Federal Multiple Source Drug Cost requirements, the maximum reimbursement amount per unit, and the date such costs shall become effective.

## C. Other Drug Cost Limits

1. Payments for drugs other than Multiple Source Drugs not exempted by "physician Certification" shall be based on the lower of:

- (a) Medicaid of Louisiana's Estimated Acquisition Cost plus the maximum overhead cost allowed; and  
 (b) The provider's usual and customary charge to the general public; not to exceed Medicaid of Louisiana's "Maximum Pharmaceutical Price Schedule".

## 2. Louisiana Maximum Allowable Cost (LMAC) Limits

LMAC is the median AWP cost for a specific strength/unit drug determined by listing the wholesale costs for each readily available manufacturer, labeler, etc. and taking the median of those AWP costs (one-half will be above the median cost and one-half will be below the median cost). LMAC limits may be adjusted by Medicaid of Louisiana based on changes in the availability and EAC of the drugs.

Medicaid of Louisiana shall make determinations of which multiple source drugs are to be subject to LMAC regulation based on the availability and EAC of drugs to providers. The availability of a drug product will be determined by review of provider claim data. Providers shall be given advance notice of any additions, deletions, or adjustments in price. A complete LMAC cost listing will be distributed periodically. Any provider may request and receive, at no charge, one complete listing annually.

In no instance shall an enrollee be required to provide payment for any difference in a prescription price that may occur with implementation of the LMAC limit, nor may Medicaid of Louisiana use a cost which exceeds the established maximums except for Physician Certification for Brand Name Drugs.

STATE	Louisiana	A
DATE REC'D	FEB 14 1992	
DATE APPV'D	JUL 02 1992	
DATE EFF	JUL 01 1992	
HCFA 179 Approval	92-01	

FN#

92-01

Supersedes

89-18

TN#

Date

JUL 02 1992

Effective

Date

JUL 01 1992

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAMAttachment 4.19-B  
Item 12.a.  
Page 4

## STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES  
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42 CFR CARE AND SERVICES  
447 Subpart D. Item 12.a. (Continued)

STATE	<i>Louisiana</i>	A
DATE REC'D	FEB 14 1992	
DATE APP'D	JUL 02 1992	
DATE EFF	JUL 01 1992	
HCFA 179	92-01	

## \* D. Lower Of Reimbursement For Multiple Source Drugs

The agency shall make payments for Multiple Source Drugs other than drugs subject to "Physician Certification" based on the lower of:

1. Any applicable Louisiana Maximum Allowable Cost limit, plus the established maximum allowable overhead cost;
2. Any applicable Federal Upper Limit for multiple source drugs, plus the established maximum allowable overhead cost;
3. The provider's usual and customary charges to the general public, not to exceed the "Maximum Pharmaceutical Price Schedule"; and
4. The average wholesale price of the drug product, subject to Medicaid of Louisiana's limits on purchasing practices as outlined in the definition of EAC and IV.K.

## E. Physician Certifications

Limits on payments for multiple source drugs shall not be applicable when the prescriber certifies in his own handwriting that a specified brand name drug is medically necessary for the care and treatment of a beneficiary. Such certification shall be written directly on the prescription or on a separate sheet which is attached to the prescription. The wording of the certification should testify to the medical necessity of the brand name drug by stating either "brand medically necessary" or "brand necessary".

Any practice which precludes the prescriber's handwritten statement, shall not be accepted as valid certification. Such practices include, but are not limited to:

1. A printed box on the prescription blank that could be checked by the prescriber to indicate brand necessity.
2. A handwritten statement transferred to a rubber stamp and then stamped on the prescription blank.
3. Preprinted prescription forms using a facsimile of the prescribers handwritten statement.

## IV. GENERAL REQUIREMENTS APPLICABLE TO ALL PRESCRIPTIONS

- A. For all prescriptions, the maximum quantity payable shall be a month's supply or 100 unit doses, whichever is greater. The quantity billed shall be that prescribed, unless it exceeds the maximum quantity payable. In such cases, the maximum quantity payable shall be filled.
- B. When maintenance drugs are prescribed and dispensed for chronic illness, they shall be in quantities sufficient to effect economy in dispensing and yet be medically sound. Listed below are drugs Medicaid of Louisiana considers to be maintenance type drugs and which should be prescribed and dispensed in a month's supply:

SUPERSEDED BY 98-11

TN# 92-01  
Supersedes 89-18  
TN# 89-18Approval Date JUL 02 1992Effective Date JUL 01 1992

Print View

Page 1 of 4

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Insert 2 for the following:

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✓ February 1, 2000 - AWP minus 15% for independents, AWP minus 16.5% for chain FN#2 pharmacies - Chains -more than fifteen Medicaid enrolled pharmacies under common ownership

FN#3 August 6, 2001 -AWP minus 13.5% for independents, AWP minus 15% for chain pharmacies - Chains -mmore than fifteen Medicaid enrolled pharmacies under common ownership

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7/1/1993 – 6/30/1994

**Provider Update**  
**Volume 10, Number 3**  
**September/October 1993**

Dispensing Fee  
 7/1/93 @ 5.54  
 (See next 2 pages)  
 for Eff. Date  
 and DF increase

Message - We're Unisys Again!	MHR Services in ICF-MR Facilities
Antibiotic Injections for Children to Age 21	Pharmacy Dispensing Fee
Evoked Otoacoustic Emissions Testing	Dentists: Prior Authorization Requests
DME Code Changes	Calcijex and Infed Approved
Case Management Update	Provider Relations Telephones
Brainstem Evoked Response Screening	Orthopedic Shoes and Corrections

**Message from the Medical Director**

As the result of a corporate reorganization, Paramax will now be known as Unisys again. Mainly, this change will be evident when we identify ourselves in response to your telephone inquiries and will be forthcoming on our stationery and correspondence to you. All provider policy and procedures will remain the same under the name of Unisys.

This issue of the *Provider Update* contains an updated list of HCPC procedure codes to be used by DME providers. The DME program is pleased to announce an expansion of the indications for orthopedic shoes and corrections to include medical necessity for prevention of clinical deterioration of the foot, such as with diabetic patients and those with severe peripheral vascular disease. This policy change, as well as a number of others in recent months, was in part due to the input of providers. The average turnaround time in July for Prior Authorization, including DME, physician and hospital extensions, transplant requests, and rehab requests was less than 10 days, with emergency requests being handled the same day.

In an effort to better serve providers and recipients, Unisys has assisted DHH in meeting with representatives of various groups. Recent meetings have been held with physicians in Southwest Louisiana where Community Care is being expanded, with DME providers to develop custom wheelchair PA procedures, with members of the Louisiana State Medical Society Physician/Patient Advocacy Committee to overview developments in the program, with representatives of podiatrists to update billable codes, and with our attendance at the recent state pharmacy association meeting.

At DHH, Tom Collins has been appointed the new Acting Medicaid Director, replacing John Futrell, who has been named Deputy Secretary. Rose Forrest is the



## Conclusion

Section 1915 of the Social Security Act defines case management services as services which will assist individuals, eligible under the plan, in gaining access to needed medical, social, educational, and other services. Case management is designated to assist recipients in coordinating the needed services and maintaining community living.

Please understand that this update is not complete. It is to be used as a guide to some common problems and misunderstandings. The provider manual is currently under revision. The updated manual will reflect all of the changes listed above. Any other changes which are not included here will be explained in the new manual.

This update is designed to answer questions; it is the most efficient way to reach all the providers at one time. If you have questions, please contact our Case Management Monitoring Unit at 342-2022.

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## Mental Health Rehab Providers and Services in ICF-MR Facilities

Providers should note that the per diem rate for ICF-MR facilities includes reimbursement for room and board, as well as reimbursement for all services ordered in the resident's care plan, which include the provision of mental health rehabilitation (MHR) services.

The facility has the option of either providing the MHR services with their own staff or contracting with another agency to provide the services. However, an ICF-MR facility may not enroll in Medicaid as a MHR provider and submit claims for MHR services rendered to its own residents.

In addition, if a facility enters into a contractual agreement with another agency to provide these services to its residents, then that agency must submit the bill for services rendered directly to the facility. Claims for MHR services rendered to residents of ICF-MR facilities should never be submitted to Unisys for reimbursement.

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## Pharmacy Dispensing Fee



The maximum allowable overhead cost (dispensing fee) for Medicaid prescription services has been increased to \$5.54, effective for services beginning July 1, 1993. The new fee reflects the inclusion of the \$0.10 provider fee mandated under state law for every prescription filled by a pharmacy or dispensing physician. Unisys has automatically adjusted any pharmacy claims which were paid previously to allow for

additional monies that were due to the provider because of the fee increase. Providers should be reminded that they are required to continue billing their usual and customary charges.

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### **Dentists: Prior Authorization Requests**

Effective July 1, 1993, Louisiana Medicaid began requiring providers to submit all prior authorization requests to the Medicaid Dental Program at the LSU School of Dentistry on form PA03, in addition to submitting these requests on the usual claim forms. The purpose of the changed procedure is to maintain automated audit trails for all Medicaid services that require prior authorization.

Dental claim forms being returned from LSU School of Dentistry will no longer have an authorization signature and ate. Instead, providers will receive authorization, as well as their prior authorization number, in a Prior Authorization Notification Letter. Providers should note, however, that they still must obtain prior authorization only for those procedure codes in the *Dental Services* manual that are marked with an asterisk.

**Providers who have questions regarding these procedures or the PA03 form should contact Peggy Misner at the Unisys Prior Authorization Unit at (504) 924-7051, ext. 2259, or at the toll-free number, 1-800-488-6334.**

A sample PA03 is provided on the following page. It has been completed as an example. The instructions for completing the form follow.

#### **PA03 Instructions**

**Note:** *On the PA03 form in the Attending Provider Number field, enter your 7-digit individual provider number.*

*If you are affiliated with a group or clinic, write their 7-digit Medicaid provider number at the bottom of the PA03 form and circle it.*

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*Both numbers will be input onto the Prior Authorization File and a letter of notification will be sent to both the individual and group or clinic providers.*

**Recipient Number:** Enter the recipient's 13-digit Medicaid identification number exactly as it appears on the recipient's Medicaid identification card.

**Recipient Name:** Enter the recipient's last name and first name as they appear on his/her Medicaid identification card.

**Attending Provider Number:** Enter the dentist's individual 7-digit Medicaid

From: "M J TERREBONNE" <mterrebo@dhh.la.gov>  
 To: "Judith Becherer" <jbecherer@MSLC.COM>  
 Date: Tuesday - October 7, 2008 1:36 PM  
 Subject: Re: Medicaid Pharmacy Pricing Follow-Up

Judith,

Per my review, below are the changes,

The dispensing fees are as follows :

7-1-1989 \$4.00 NA  
 4-1-1990 \$4.41 NA  
 9-1-1990 \$4.68 ✓  
 10-1-1991 \$5.00 ✓  
 7-1-1992 \$5.30 ✓  
 7-1-1993 \$5.54 ✓  
 7-1-1994 \$5.77 ✓

D F (See also Provider Update, Sept/Oct 1993)

Insert 2 for the following:

✓ 7-1-1989 thru 9-30-1991 - LMAC Description - 2

According to the approved state plans, the EACs are as follows:

- ✓ July 1, 1989 --AWP minus 10.5% EAC and FN #1
- ✓ July 1, 1999--AWP minus 10.5% for independents, AWP minus 13.5 for chains - Chains - five or more Medicaid enrolled pharmacies under common ownership FN#3
- ✓ February 1, 2000 - AWP minus 15% for independents, AWP minus 16.5% for chain pharmacies - Chains -more than fifteen Medicaid enrolled pharmacies under common ownership FN#4
- FN#5 August 6, 2001 -AWP minus 13.5% for independents, AWP minus 15% for chain pharmacies - Chains -mmore than fifteen Medicaid enrolled pharmacies under common ownership

thanks, mj

>>> "Judith Becherer" <jbecherer@MSLC.COM> 10/6/2008 4:17 PM >>>

Dear MJ,

Good afternoon! I know that you have had considerable issues resulting from the recent hurricane, so I have tried to delay making a follow-up contact with you for as long